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RUEHBU/AMEMBASSY BUENOS AIRES 6783  
RUEHCV/AMEMBASSY CARACAS 3878  
RUEHPE/AMEMBASSY LIMA 4168  
RUEHMD/AMEMBASSY MADRID 4172  
RUEHME/AMEMBASSY MEXICO 2297  
RUEHMN/AMEMBASSY MONTEVIDEO 5707  
RUEHQT/AMEMBASSY QUITO 6497  
RUEHSG/AMEMBASSY SANTIAGO 1231  
RUEHGL/AMCONSUL GUAYAQUIL 0861  
RUEHRI/AMCONSUL RIO DE JANEIRO 1016  
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TAGS: [ASEC](#) [BL](#) [EAID](#) [ECON](#) [PGOV](#) [PINR](#) [PREL](#)  
SUBJECT: AMBASSADOR VISITS SANTA CRUZ: MOOD PESSIMISTIC

REF: LA PAZ 1819

Classified By: Amb. Philip S. Goldberg for reasons 1.4 (b) and (d).

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SUMMARY  
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¶1. (C) The Ambassador traveled to Santa Cruz on August 25 to participate in a USAID-sponsored Special Olympics event, attend the opening of a major trade fair, attend the premier of a NAS-sponsored film festival on trafficking in persons, and to meet with Prefect (Governor) Ruben Costas and other local leaders. Prefect Costas was pessimistic about the current political crisis and told the Ambassador he fears a major confrontation could happen between Bolivia's regions. Other business and media opinion leaders were equally pessimistic. The Government of Bolivia's reaction to the Ambassador's visit to Santa Cruz was immediate, with the official government news agency ABI accusing the Ambassador of a "secret meeting" with Costas. In fact, the Ambassador's Santa Cruz schedule had been provided to the media. End Summary.

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PREFECT RUBEN COSTAS  
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¶2. (C) The Ambassador paid an official call on Santa Cruz Prefect Ruben Costas on August 25. Costas, looking worn, was pessimistic about the prospects of successful talks with the Morales government. He stated that he and the other members of CONALDE (the grouping of the five regional opposition prefects) want dialogue and will make a written proposal asking the Catholic Church and OAS, along with the "group of friends" (Brazil, Argentina and Colombia), to mediate the talks. That said, the prefect feels that Evo Morales is determined to push his agenda forward, by decree if necessary, saying "Evo knows his position and would rather leave the presidential palace dead than renounce." Costas

said he is receiving "serious threats" against his family and that his children have been followed. The prefect let the Ambassador know that he would not flee the country but would rather stay and fight for his principles even "if they arrest me and put me in jail for forty years." Costas referred to the many blockades and protests being staged by both the government MAS-party and the regional opposition and told the Ambassador "for the first time I'm sensing there will be a civil confrontation." The Ambassador agreed it was a good idea to involve more international mediators in the dialogue process and stressed the USG's commitment to a peaceful solution. The Ambassador promised to speak with the "group of friends" ambassadors about the matter.

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OTHER CRUCENO LEADERS  
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13. (C) Santa Cruz business and media opinion leaders also expressed pessimism following the August 10 recall referenda. Constitutional lawyer Juan Carlos Urenda told the Ambassador that if Evo Morales calls for a constitutional referendum by decree then he would consider it to be "totally illegal" and that the opposition departments would refuse to participate. If the constitutional referendum was approved by the national congress as stipulated by law then the opposition would be in the difficult situation of having to decide whether to participate in a vote on a constitution which was "illegally approved" by the constituent assembly. Urenda does believe that a campaign could be mounted to at least ensure that the MAS constitution does not pass in the five opposition "half-moon" departments.

14. (C) UNITEL TV network owner Ernesto Monasterio told the Ambassador that the opposition had "learned lots of lessons" from the August 10 referenda. He said he was optimistic that these lessons would be applied to help ensure a stable country in the future. Monasterio clarified, however, "I am optimistic about the situation that will come after there is a big confrontation." Alfredo Leigue, owner of El Nuevo Dia Santa Cruz newspaper and Cash magazine stressed the importance of firmly controlling "our own territory" in order to stop the MAS from making inroads in the region.

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SPECIAL OLYMPICS, TRADE FAIR, AND TIPS FILM FESTIVAL  
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15. (U) The Ambassador's purpose of travel to Santa Cruz was to participate in the Inauguration Ceremony of the tenth Bolivian National Special Olympics games. USAID contributed \$10,000 to sponsor the Special Olympics. Other sponsors include the government of Belgium and Petrobras. The Ambassador also gave the opening remarks of the Expoteleinfo software trade fair. Expoteleinfo is South America's second largest technology information fair and receives support from USAID and the Commerce Department. Prefect Ruben Costas participated in both events. Additionally, the Ambassador inaugurated a NAS-sponsored film festival on trafficking in persons. Local judges, prosecutors, and school representatives attended the event which also received support from the United Nations.

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COMMENT  
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16. (C) Although the Ambassador's schedule had been given to the press the Bolivian Government was quick to react to the Ambassador's presence in Santa Cruz. The official government news agency ABI ran a story accusing the Ambassador of having a "secret meeting" with Ruben Costas. The Ambassador was subsequently called to the Foreign Ministry upon his return from Santa Cruz (Reftel). The Santa Cruz leadership is downcast after Evo's 67 percent take in the August 10 recall referenda and are clearly worried and unsure what to do if Morales goes through with his plan to call for a constitutional referendum. We expect the regional opposition

to continue to radicalize its protest measures in response to  
any move by Evo. End Comment.  
GOLDBERG